

STATE OF WISCONSIN

AUG 9 1983

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Final and Binding Final Offer
Arbitration

Between

COLUMBIA COUNTY
(SHERIFF'S DEPARTMENT)

and

DRIVERS, SALESMEN, WAREHOUSEMEN, MILK
PROCESSORS, CANNERY, DAIRY EMPLOYEES AND
HELPERS UNION LOCAL No. 695
a/w I.B.T.C.W.&H. of A.

Case XLVII

No. 30924

MIA-724

Decision No. 20523-A

Gordon Haferbecker, Arbitrator

August 6, 1983

APPEARANCES:

Mr. Michael Spencer, Business Representative, Teamsters Union Local No. 695, 1314 N. Stoughton Road, Madison, WI for the Union.

Mr. James Meier, Corporation Counsel, Columbia County, Administration Building, Portage, WI for the Employer.

BRIEFS:

Marianne Goldstein-Robbins, of Goldberg, Peviant, Uelmen, Gratz, Miller & Brueggeman, S.C., 788 N. Jefferson Street, Milwaukee, WI prepared the Union brief and Mr. Meier prepared the Employer brief.

BACKGROUND

The Union represents the law enforcement personnel of Columbia County. The parties have been attempting to negotiate a 1983-84 contract. On December 27, 1982, the Union filed a petition with the Wisconsin Employment Relations Commission requesting the Commission to initiate final and binding arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act. Coleen A. Burns, a member of the Commission's staff, conducted an investigation and on April 4, 1983, advised the Commission that the parties were at impasse on the existing issues as outlined in their final offers.

The Commission initiated final and binding interest arbitration on April 12, 1983, and provided a panel of arbitrators to the parties. Gordon Haferbecker of Stevens Point, Wisconsin, was selected as the arbitrator and was appointed by the Commission on May 5, 1983.

The parties met with the Arbitrator at the Columbia County Courthouse, Portage, Wisconsin, at 9:00 a.m. on June 3, 1983. Mediation was attempted but was not successful and an arbitration hearing was held that same day. The parties presented witnesses and exhibits. Briefs were submitted late, by mutual agreement. The briefs were received by July 15, 1983. The Union elected not to file a reply brief. The Employer's reply brief was received July 28, 1983.

FINAL OFFERS

The parties agreed upon revision in the contract clauses dealing with recognition, sick leave and holidays, and established a two-year agreement for 1983-1984 with a wage reopener for 1984.

The only unresolved issues were dental insurance and wages.

Final Offer of Columbia County. Amend APPENDIX A by adding twenty-seven (27) cents per hour effective January 1, 1983, to all steps of the positions of matron/secretary, patrolman and detective.

Final Offer of Teamsters Local No. 695. ARTICLE XIV. GROUP HEALTH AND LIFE INSURANCE. Add; Wisconsin Area Health Fund's Dental 4 at a cost of twenty-seven dollars and seventy cents (\$27.70) per month, per employee effective June 1st, 1983.

APPENDIX A. Increase all classifications by two percent (2%) effective January 1, 1983.

COST OF FINAL OFFERS

The Union brief and Union Exhibit 4 indicate that the Employer offer would raise wages by \$47 per month and would represent a 3.1% increase. The Union offer would raise wages by \$30 per month and would provide dental insurance for seven months of 1983 at a per-employee cost of \$194. The total percentage increase for 1983, under both offers, is 3.1%.

The Employer agreed that both final offers total approximately 3.1% in cost but the Union's final offer pushes an additional 2% into 1984 and thereafter.

POSITION OF THE UNION

Value of dental insurance. The Union quotes Arbitrator Zel Rice, March, 1982, concerning the value of dental insurance. "Dental insurance has been expanding in the United States quite rapidly over the past ten years. In 1970 12 million persons were covered by dental insurance. By 1980 that had increased to more than 70 million with a projection that 100 million people will have dental insurance by 1985. Almost 50% of the people in the nation are covered by some form of dental plan. . . .Dental insurance is not normally available to individuals and it is primarily offered to groups. The prevalence of dental disease and the concept of good oral health has created pressure for dental insurance. Some employers have offered it because of its positive impact on productivity. . . .A health insurance program that includes dental insurance will have a positive effect on the interest and welfare of the public because it will result in less sick time and improve the productivity level of the employees. The long-range effect of such a program on the employees' children has a positive effect to the community that cannot be measured" (City of Milwaukee, Decision No. 19208-A Rice, 1982, p. 2, p. 12, and Union Brief, p. 3).

The Union cites Arbitrator Yaffe who states that a substantial fringe benefit such as dental insurance may well have an influence on the ability of a community to attract applicants to job openings (Union Brief, p. 4).

Cost to the County. The Union's proposed wage increase and the dental insurance for seven months (beginning in June) would cost no more than the Employer's wage offer (3.1%). The Union's dental insurance proposal provides good coverage (Union Exhibit 5) at relatively low cost. This benefit coupled with its low cost is especially important in view of the continuing inflation experienced by the north central region of the country including Wisconsin (Union Exhibit 6). The cost to the County is offset by the Union's low wage demand.

Comparables. Dental insurance is provided by Dodge County which is adjacent to Columbia County. Of all the adjacent counties, Dodge has the most similar per capita gross income (Employer Exhibit 4). The Union's proposal at \$27.70 per month costs less than Dodge County's dental insurance for deputy sheriffs at \$30.74 per month.

The City of Portage, Columbia County's county seat, provides dental insurance to its employees at the same cost as the Union's final offer. It is an appropriate comparable since it is within the County and is subject to the same local economic climate.

The County relies almost exclusively on the fringe benefits provided to deputy sheriffs in Sauk County where no dental insurance is currently provided. Sauk County has a population and equalized value similar to Columbia County but it has a lower per capita income.

While Sauk County may have an overall compensation total which is comparable to that of Columbia County, there are significant differences in the mix of wages and fringe benefits. Mediator/Arbitrator June Weisberger noted that fringe benefits for social workers in Sauk and Columbia County were substantially different. Therefore, she found the appropriate comparison was between overall compensation packages rather than an item-by-item comparison (Decision, p. 4, Employer Exhibit 9A).

Here the overall compensation package proposed by the Union and the County are no different so each overall offer is equally comparable to the package provided by Sauk County.

While the County's computation of total compensation in Columbia and Sauk County has some shortcomings (Union Brief, p. 9), the offers of the parties in this case cost the same 3.1% so the provision for dental insurance does not change the comparability of the overall economic package in Columbia to that of Sauk County.

Furthermore, the health insurance provided by Columbia County, even with dental insurance added, would be less than that paid by Sauk County for health insurance alone. Columbia County's health insurance contribution of \$115.82 per month plus dental at \$27.70 totals \$143.52 compared to Sauk County's \$156.24 (Union Exhibit 2).

Arbitrators' Decisions. The Union quotes several arbitrators who have selected final offers which contain provisions of dental insurance to the bargaining unit for the first time. These include Arbitrator Zel Rice who in March, 1982, selected the final offer of the Milwaukee AFSCME unit providing dental insurance for the first time. In 1979, Arbitrator Arthur Malinowski selected the Milwaukee Police Association's offer providing a dental insurance plan for the first time. Arbitrator Yaffe in a 1982 decision provided Middleton Area School District employees with dental insurance for the first time (Union Brief, pp. 3, 4). As many arbitrators have found, dental insurance should be provided to employees where possible since it is in the interests and welfare of the public.

POSITION OF THE EMPLOYER

The only issue presented to the Arbitrator in this matter is whether the Arbitrator should impose upon the Employer a dental insurance benefit for the employees where such a benefit has not heretofore existed for any employee of the Employer and where, by admission of the Union business representative, the issue was not seriously pursued during negotiations.

Comparables. By arbitral decision as well as the negotiating history of the parties, Sauk County is virtually the only comparable to the Columbia County Sheriff's Department (Employer Exhibits 7 through 10).

There are six counties contiguous to Columbia County. Sauk County has nearly the same population as Columbia, 44,791 vs 43,513, and nearly the same equalized value, 1,249,874,36 vs 1,281,549,300. The 1980 adjusted gross incomes per capita are \$5,841 for Sauk and \$6,400 for Columbia. The other contiguous counties are much smaller (12,123 to 18,941 population), much larger (76,686 and 330,927) with large differences in equalized value (Employer Exhibit 8).

The Employer cites six arbitration decisions during the period of 1976 through 1982 that have held that the best comparable for Columbia County is Sauk County. These include state decisions such as: "The Employer and the Union agree that comparisons between Sauk County and Columbia County are most relevant" (Employer Exhibit 10), "As to the external comparison with Sauk County social workers, the only relevant comparable determined by stipulation of the parties" (Employer Exhibit 9A), "The Arbitrator agrees that the critical comparison is between Sauk and Columbia Counties" (Employer Exhibit 8).

Bargaining history and prior arbitral awards do not indicate that the Union's proposed comparables of Dodge County and the City of Portage have been used in the past.

There is nothing in the record to show that dental insurance is a standard in this area. It does not exist in any other of Columbia County's 4 labor contracts or in any of Sauk County's 5 labor contracts.

The Employer already pays more for health insurance for this bargaining unit than for any other County unit except the highway workers. County Exhibit 15 shows that the sheriff's deputies rank high among other Columbia County workers in vacation, holidays, longevity, retirement, and sick leave benefits.

The employees in this unit receive on a total compensation basis, compensation at least as high as employees similarly situated under the Sauk County Sheriff's Labor Contract (Employer Exhibit 16). Further, no Sauk County employee receives dental insurance as a benefit, either standard or optional.

Arbitration Decisions. In reading the Rice Milwaukee decision, which the Union quotes extensively, it is apparent that Arbitrator Rice gave great weight to comparables. He stated: "Milwaukee County provided a fringe benefit package to employees that is the equal of the one offered by the Employer in almost every respect and also includes a dental program. Most municipal employers in the Milwaukee area provide dental insurance programs for their employees as do many of the private sector employers in the area" (Employer Reply Brief, p. 1).

As further evidence that even Arbitrator Rice does not consider dental insurance a standard benefit which is automatically given, note that he found for the employer where dental insurance was an issue in the Milwaukee area VTAE case #19183-A, as well as for the employer in the case of Brookfield, Case #19523-A. Clearly Arbitrator Rice treats dental insurance as any other fringe benefit, subject to comparisons with comparable employers.

Except for the City of Middleton, most of the decisions in favor of dental insurance for municipal labor organizations were in the industrialized eastern section of Wisconsin (1977 Employer Reply Brief, p. 2).

In sum, there is nothing in the record to show that dental insurance is a standard in this area.

If dental insurance is to become a benefit of any unit in Columbia County, it should be achieved after serious bargaining and discussion on the subject or if, by arbitral decision, after it has been shown that the County refused to seriously consider the matter and it is a generally accepted benefit in the industry.

DISCUSSION

The parties are to be commended for having resolved most of the issues for their 1983 contract and for presenting moderate final offers which are very similar in cost.

Because of the similarity of the costs of the final offers some of the statutory standards such as ability to pay and cost of living do not have much applicability here. The parties did not provide comparisons with the private sector but concentrated on public sector comparables and prior arbitration decisions.

Comparables. The Employer has shown that by the negotiating history of the parties and by prior arbitral decisions, Sauk County has been the primary comparable with Columbia County. Because of great population differences among the contiguous counties, Sauk County is clearly the most comparable.

benefits, the Sheriff's deputies compare very favorably with other Columbia County bargain units. The Arbitrator finds that on the matter of internal and external comparables, the Employer position is more reasonable.

Other Arbitration Decisions. The Union has cited several instances where other arbitrators have selected the Union final offer which granted dental insurance as a new fringe benefit. The Union quoted extensively from Arbitrator Rice's Milwaukee decision. However, the Employer points out in its quotation from the Rice decision that the arbitrator did consider the comparables--other municipal employers, private employers, and Milwaukee County. The Employer also noted other cases where Arbitrator Rice found for the Employer and did not award dental insurance.

The Union supplied the Arbitrator and the Employer with copies of arbitration decisions it had cited. The Employer has commented above on the Rice decision in Milwaukee which noted dental insurance comparables in the area.

The Malinowski decision (16825-A), 1979, stated, "It may well be true that no city worker groups receive any dental insurance coverage, however, the evidence would indicate that there are cities comparable to Milwaukee where dental plans are provided to police officers with various levels of coverage and contribution between the City and employees." The Arbitrator selected a dental insurance plan which provided that employees pay 60% of the cost of the new benefit (pp. 20-21).

In the Middleton-Cross Plains School District decision (19133-A), Arbitrator Fleischli stated, "The available comparisons clearly support the inclusion of this new benefit. Six of the eight districts in the Association's group of comparables provide this benefit" (p. 10).

In the Reedsville School District case (Decision No. 18024-A), Arbitrator Richard Mill stated, "The comparables reveal widespread adoption of dental insurance (8 of 12 districts) and the benefits, if anything, are less than the average for the comparison districts."

Thus, in three of the four Wisconsin cases cited by the Union, the decision gave great weight to area comparables.

It appears that while arbitrators in several instances have found dental insurance to be a desirable new fringe benefit, they have also taken into account area comparables and other factors that might be significant in a particular case.

A new fringe benefit such as dental insurance can come about as a result of an arbitration decision instead of collective bargaining, but such a decision should be based on the prevalence of area comparables or on some other significant factor.

In this case I do not find that the prior arbitration decisions quoted by the Union make a strong case for granting dental insurance. The two Union area comparables are more than offset by the absence of dental insurance in most of the contiguous counties, in Sauk County and in the other Columbia County units. There is no showing that dental insurance is justified because of an inferior wage or fringe benefit position on the part of Columbia County Sheriff's Deputies.

After reviewing the evidence concerning arbitration decisions, I still find that the Employer's offer is more reasonable.

Value of Dental Insurance. The Union has pointed out some of the benefits of a dental insurance program for employees, along with possible benefits to the Employer (productivity) and to the community. While the Employer has not refuted these arguments, I do not find that they require that dental insurance be added as a new fringe benefit at this time. They are arguments that should be considered by the parties in future bargaining.

CONCLUSION

On the basis of the statutory criteria and after reviewing the exhibits and briefs of the parties, I find that the Employer's final offer is more reasonable than that of the Union.

The Union position is not without some merit and I am sure that the parties will bargain concerning dental insurance in the future. According to the Employer, dental insurance was not actively pursued by the Union during negotiations prior to final offers. It should be fully discussed by the parties.

AWARD